



Date of Council Meeting: July 27, 2015

INFORMATIONAL MEMO

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Loudoun Museum

Staff Contact: Keith Markel, Deputy Town Manager

Council Action Requested: None

Staff Recommendation: Not Applicable

Commission Recommendation: Not Applicable

Fiscal Impact:

Work Plan Impact: None

Executive Summary: Town Council requested an update on the operational status of the Loudoun Museum which the Town has supported since the Museum's founding in 1967.

Background: The Loudoun Museum was established in 1967, and operates out of Town owned buildings located at 16 Loudoun Street, 20 Wirt Street, and the log cabin that is adjacent to Mervin Jackson Park. The Museum's collection is composed of approximately 8,000 items that focus on the history of Leesburg and Loudoun County. The Museum currently has one full time staff member and one part-time staff member while relying on significant volunteer support to maintain its programs.

The Museum is regularly open to the public three days a week; on Friday and Saturday from 10am to 5pm, and on Sunday from 1pm to 5pm. The museum is also an active participant in First Friday activities and host special events throughout the year. Admission to the Museum is \$3 for adults; \$1 for students, teachers, and seniors; and free for members, active duty military, and children four years old and under.

The annual operating budget for Fiscal Year 2016 is approximately \$109,000. The largest portion of these funds comes from Loudoun County with additional funds coming from private donations. Museum staff is fairly certain that financial support from both Loudoun County and the Town of Leesburg started with the Museum's founding in 1967.

<i>Financial Contributions History</i>		
Year	Loudoun County	Town of Leesburg
FY 2004	\$232,241	\$27,000
FY 2005	\$232,241	\$27,000
FY 2006	\$464,482	\$27,000
FY 2007	\$289,046	\$25,000
FY 2008	\$306,987	\$19,500
FY 2009	\$230,250	\$8,250
FY 2010	\$115,000	-
FY 2011	\$70,000	-
FY 2012	\$70,000	-
FY 2013	\$68,000	-
FY 2014	\$63,000	-
FY 2015	\$63,000	-
FY 2016	\$91,007	-

Since 2009, the Town has not provided any direct cash contribution to the Museum, but has supported the Museum by allowing the organization to use the three structures at the corner of Loudoun and Wirt Streets rent free. Based on a hypothetical rent rate of \$17 per square foot for the approximate 4,144 square feet of space, the Town's annual donation to the Loudoun Museum is in the range of \$70,000.

The Museum pays for all utilities and for any interior maintenance items. The Town covers all external repairs and upkeep. In 2008, the Town funded a condition assessment for the building, and based on the report, undertook a major renovation project for the three structures totaling \$264,315. These repairs included significant floor replacement and bracing, brick repairs and repointing, painting of the roof and exterior, and security system updates. For Fiscal Years 2013, 2014, and 2015, the Town spent \$5,000, \$4,000, and \$4,300 respectively on maintenance issues such as painting, doors, signage, and air conditioning condenser repairs. Generally, the buildings are in good condition. There is a persistent moisture issue in the brick primarily on the north wall of 20 Wirt Street, and there are additional heating and air conditioning replacements that will be needed in the coming years.

Over the past decade, the Loudoun County Government significantly reduced its funding of the Museum causing significant financial strain on the organization. At its peak in Fiscal Year 2006, the County contributed \$464,482. These funds allowed the Museum to be open to the public six days a week, and to employ a full time staff of five. At that time, the Museum also had the support of 70 active volunteers.

In Fiscal Year 2011, County support dropped to \$70,000 sending the Museum into significant financial hardship. In 2012, the Museum presented a "Turn Around Business

Plan”, a Resource Development Plan, and a Three-year Implementation Budget to the County in an effort to maintain some level of County support.

In June of 2015, the County approved a Fiscal Year 2016 contribution of \$36,007 to the Museum. Due to this significant funding reduction, the Museum was forced to consider dissolving and dispersing the collection. At the Board of Supervisor’s meeting on July 15, 2015, the County agreed to contribute an additional \$55,000 bringing the total contribution for the fiscal year to \$91,007.

As part of this approval, the Board of Supervisors directed County staff to convene a working group with Museum staff and Board of Trustee members to discuss the long-term financial future of the Museum. Over the next eight months, the group will evaluate the Museum’s finances and provide a recommendation on how the County should move forward with its relationship with the Museum. Museum leadership believes that if the County is willing to continue providing an annual financial contribution that will cover most of the Museum’s operating costs, and if the Museum is able to continue to utilize the Town’s building’s rent free, the organization will be able to continue its operations and begin saving additional funds for an endowment that could be used to financially support the Museum over the long term.